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## **GPA & Other Factors That Influence Earnings and Success Among CPAs**

Quinn Renshaw

*College of Saint Benedict/Saint John's University, QARENSHAW@CSBSJU.EDU*

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# GPA & OTHER FACTORS THAT INFLUENCE EARNINGS AND SUCCESS AMONG CPAS

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BY: QUINN RENSHAW

# BACKGROUND INFO

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- It's typically believed that low GPA college graduates face more difficulties when applying for jobs out of school compared to high GPA grads



# RESEARCH QUESTION

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- How do lower GPA accounting students/grads fare when attaining their first job/internship, including recruitment limitations, and how does this affect their initial and current salary standings?

# RELEVANCE OF PRESENTATION

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- Accounting/Finance/Business Students/Grads
  - Provide real data on the initial and future career impact based on GPA
- Employers/Recruiters
  - Challenge GPA as a main determining factor in the recruiting process
- Professors
  - Accurately predict real potential of students' success asides GPA
- General Public



# EXISTING RESEARCH ON RESEARCH TOPIC: ARTICLE I

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- “*Determining Future Success for College Students*”
  - College performance and social skills affect students’ potential for recruitment and salary
  - Grades are important but non-academic skills are also highly valuable to employers
  - Strong correlation between; combination of GPA, high math ability, communication skills, and work ethic and; higher starting salary & success.
  - On average an A student will earn \$2900 more than a B student, and each GPA point will increase by \$2900

# EXISTING RESEARCH ON RESEARCH TOPIC:

## ARTICLE 2

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- *“A Low GPA Could Sabotage Your Income For Years”*
  - Study on 3,401 employees from investment banking firms
  - Measured average total compensation for employees in separate GPA brackets
    - GPA < 2.8: \$65,000
    - GPA 2.9 – 3.1: \$77,700
    - “A Student” GPA 3.8 – 4.0: \$115,700
  - More than \$50,000 premium of “A student” over student with GPA < 2.8

# RESEARCH PROCESS AND METHODOLOGY

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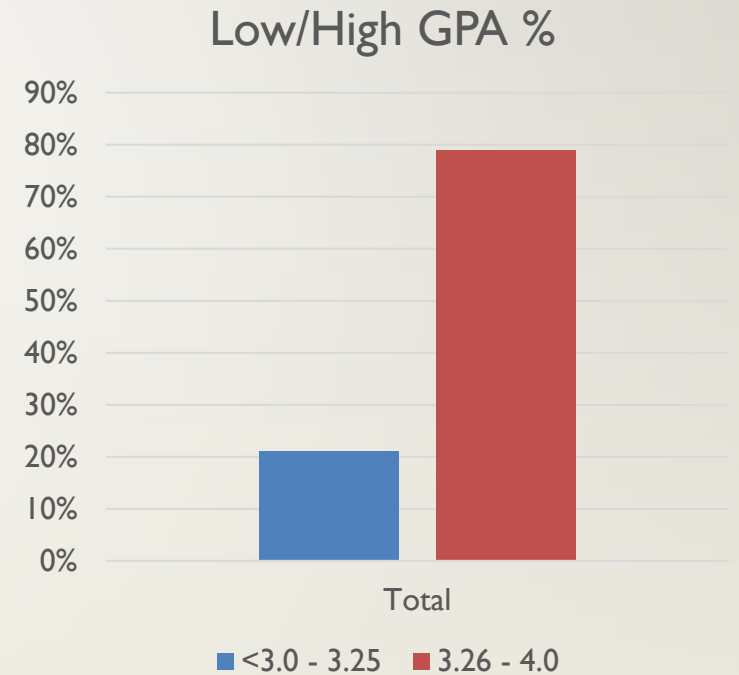
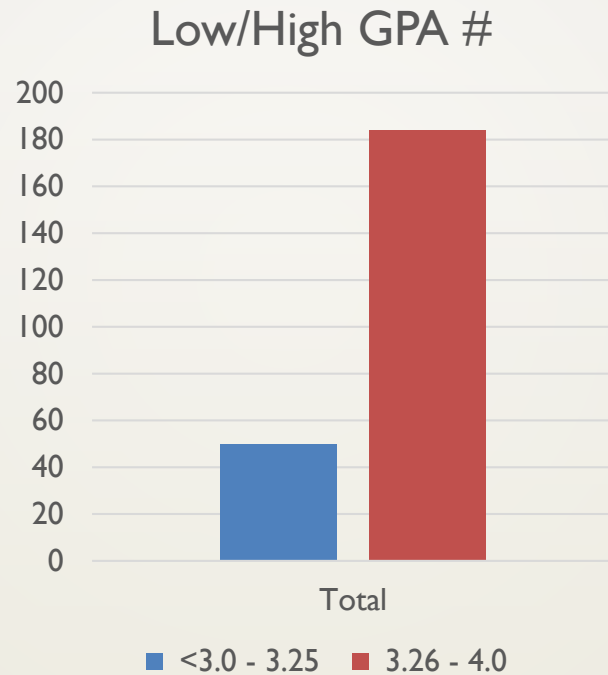
- Formed a 23 question survey (including 3 free response questions)
- Professor Warren Bostrom (aka. Boz) sent approx. 6,000 surveys to MN CPAs
  - 234 responded
- Compiled answers onto an Excel spreadsheet
  - Used Pivot Tables to further analyze data & make correlations
  - Used percentages of data totals to evenly compare High/Low GPA Grad data



# HIGH VS. LOW GPA GRADS

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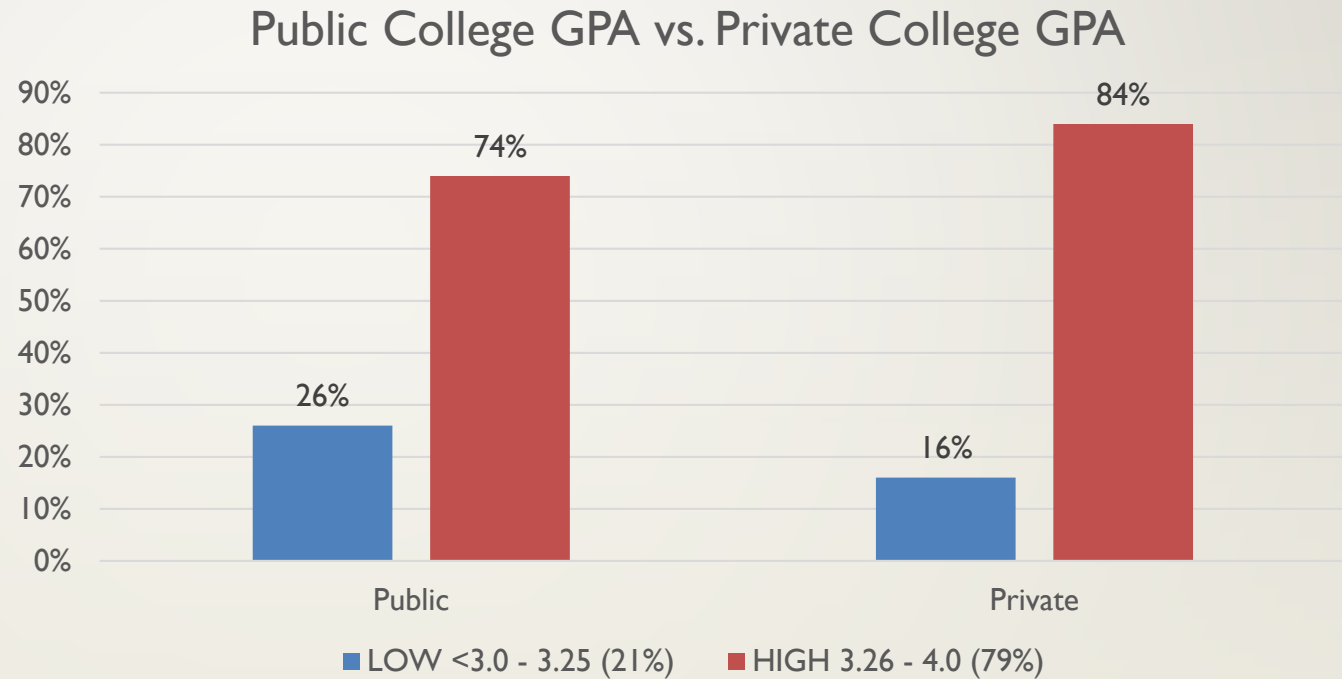
- Low GPA Grads:
  - GPA <3.0 – 3.25: 50 CPAs (21%)
- High GPA Grads:
  - GPA 3.26 – 4.0: 184 CPAs (79%)



# COLLEGE TYPE AND GPA

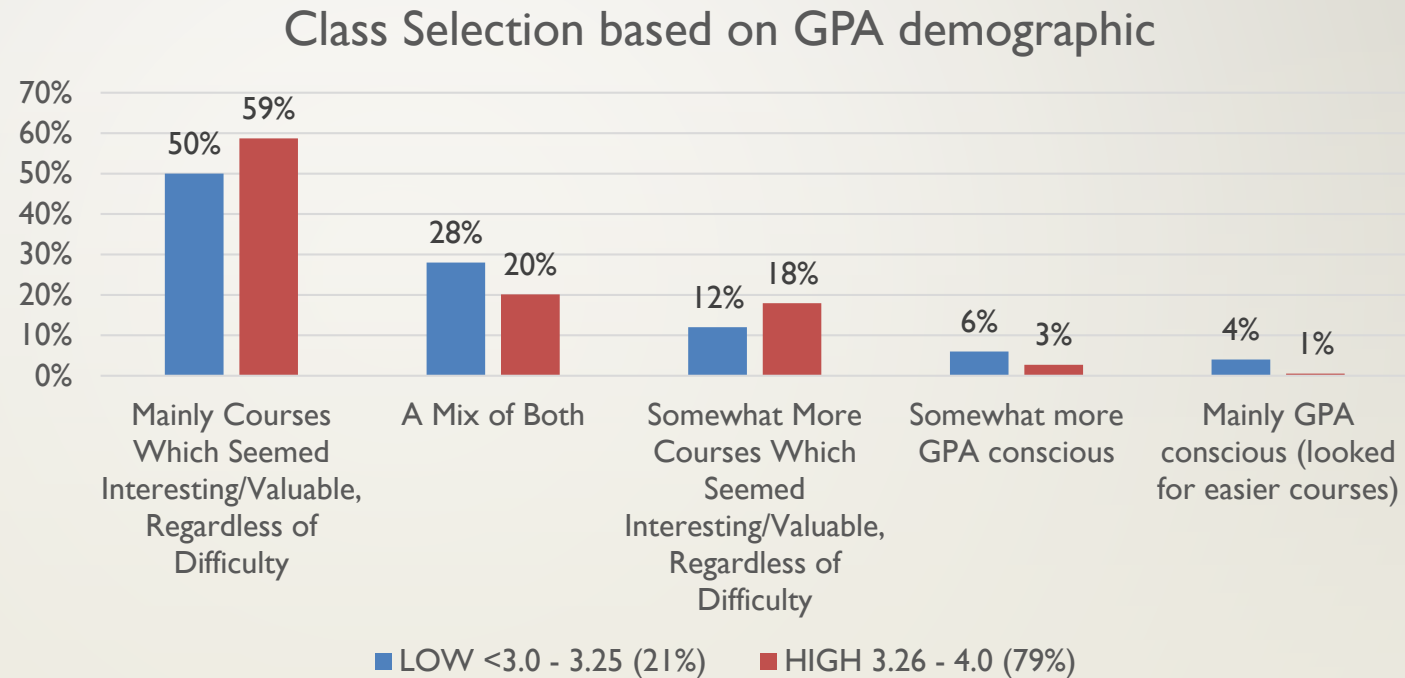
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- Private Colleges typically have higher overall average GPA
- Students from Public Colleges may suffer a lack of quality education



# COURSE SELECTION (DIFFICULTY) AND GPA

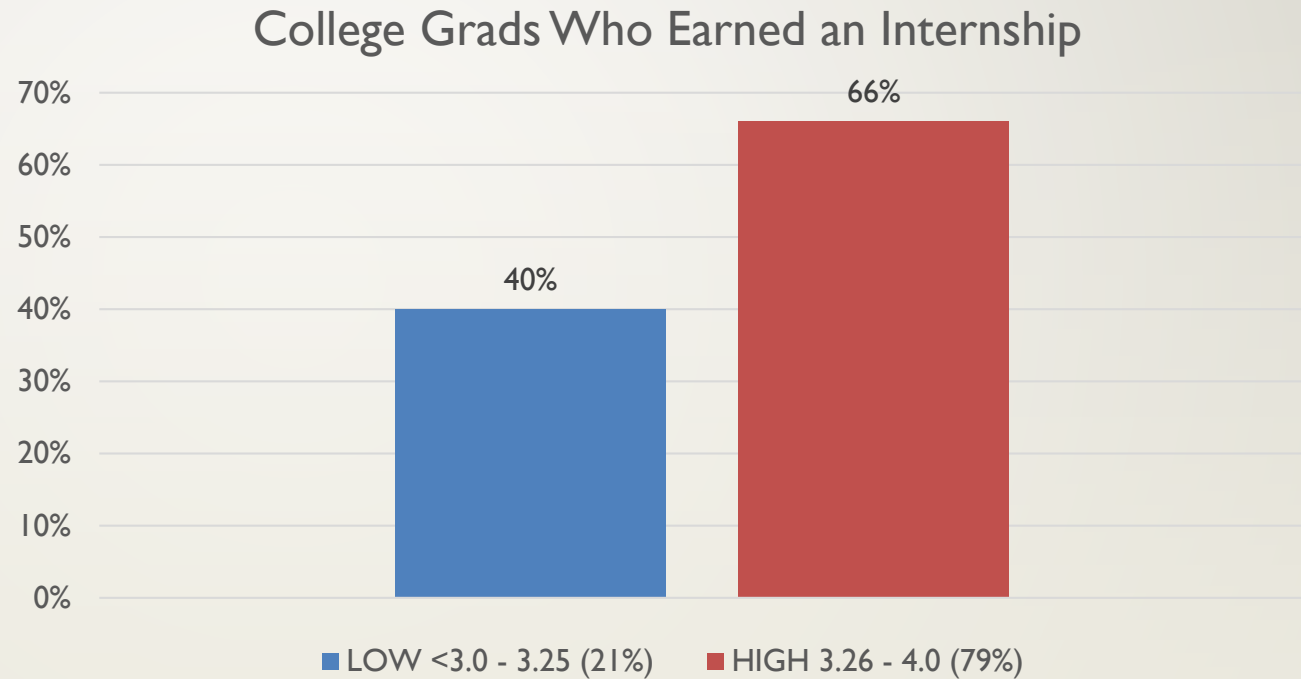
- Majority of both selected Valuable Courses Regardless of Difficulty
- High GPA Grads:
  - Most focused on Valuable Courses
- Low GPA Grads:
  - Most focused on Valuable Courses, but also focused on GPA boosting classes



# GPA'S AFFECT ON INTERNSHIPS

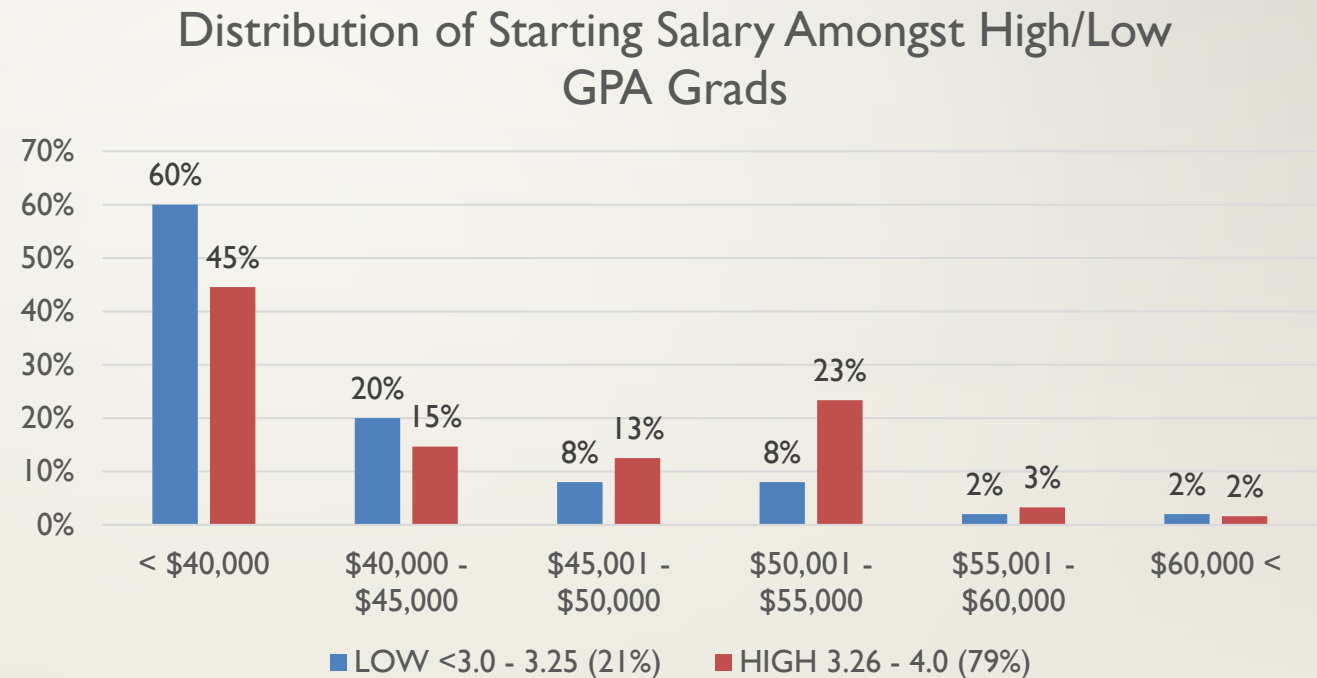
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- Indicates that higher GPA strongly correlates to attaining an internship



# STARTING SALARY BASED ON GPA

- Strong evidence High GPA Grads receive higher starting salaries

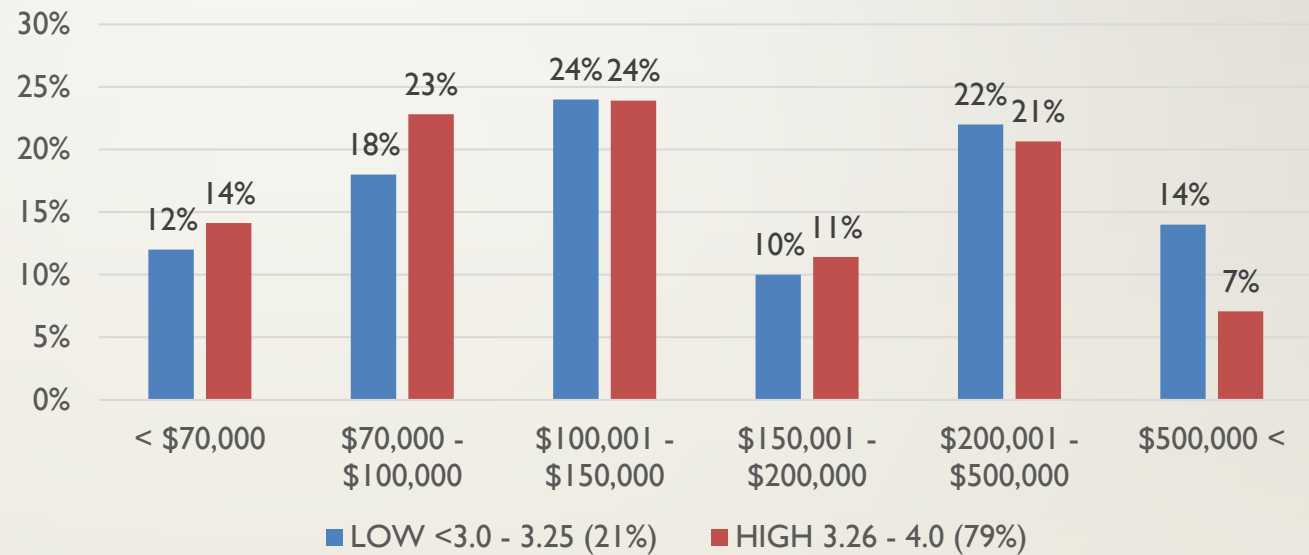




# CURRENT SALARY BASED ON GPA

- Low GPA grads tend to currently earn more
- It's possible non-academic skills contribute more to higher salary later in career

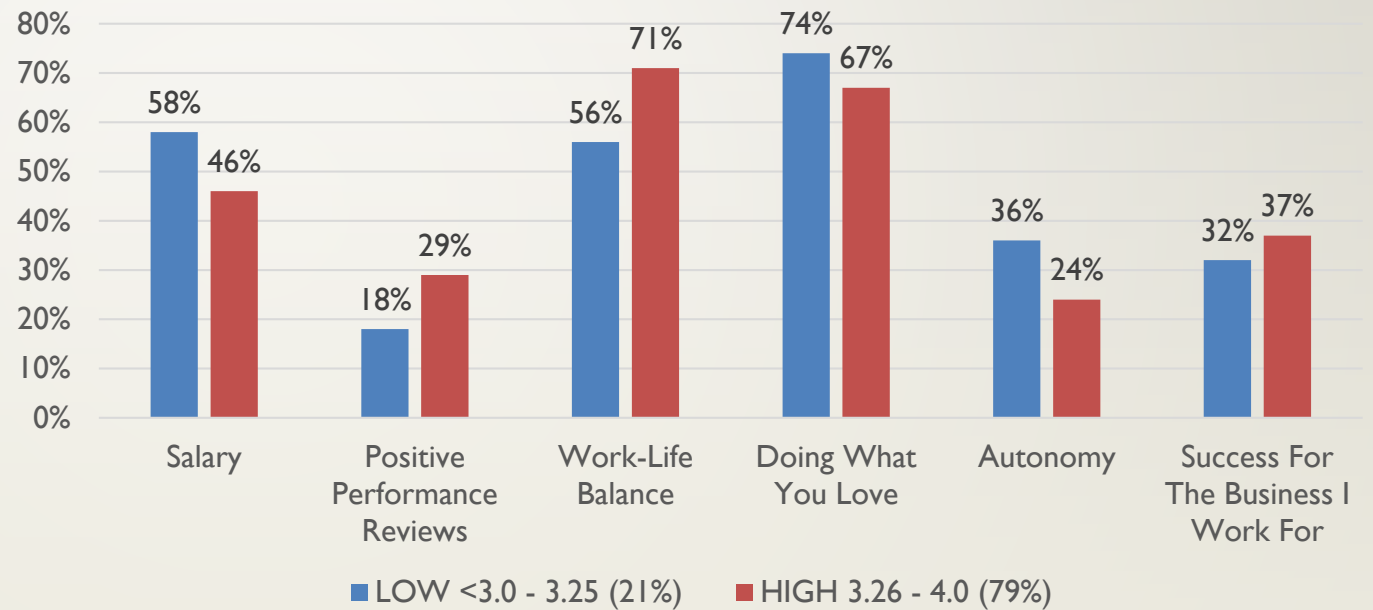
Distribution of Current Salary Amongst High/Low GPA Grads



# MEANING OF SUCCESS TO HIGH/LOW GPA GRADS

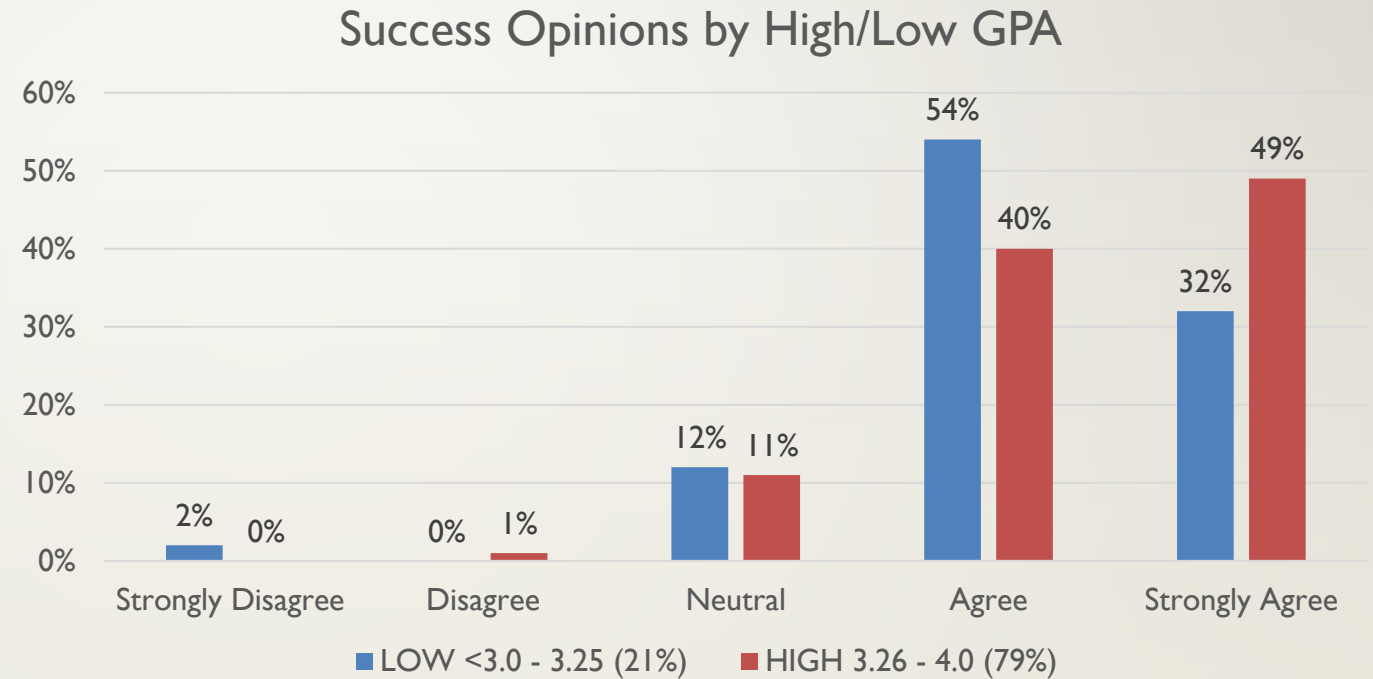
- All valued Salary, Work-Life Balance, and Doing What You Love highest
- Low GPA Grads:
  - Valued Salary & Doing What You Love more
  - Could indicate Lower GPA Grads value making a comfortable living
- High GPA Grads:
  - Valued Work-Life Balance more
  - Could indicate Higher GPA Grads value an organized life

Success Factor Ranking by High/Low GPA



# HAVE THEY ACHIEVED THEIR SUCCESS?

- Disagrees, Neutral, and Agrees relatively similar
- Both High/Low GPA grads are typically satisfied with their career success



# KEY FINDINGS AND CONCLUSIONS

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- After graduation, some students end up with lower GPAs because they:
  - Went to public schools
  - Pursued tougher classes of interest
  - Other factors
- Which results in:
  - Having lower chances getting internships
  - Reasonably lower starting salary
- In the Future:
  - Fair chance they can achieve higher salaries
  - Will be satisfied with their career success





# FREE RESPONSE ANSWERS

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- Why is College GPA Correlated/Not Correlated to Success?
  - GPA helps get your first job, afterwards non-academic skills matter more
- Any Other Input/Advice?
  - Success depends on what you value most
  - High GPA typically just gets your foot in the door



# LIMITATIONS AND FURTHER RESEARCH

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- Limitations:
  - Low survey response rate with only 234, replies could have had more
  - Need more even distribution in surveyor demographic
    - High/Low GPA
    - Mostly Age and Salary
- Changes For Future Research:
  - More factors that affected GPA
  - More factors that define success other than Salary and Opinion

# THANK YOU!

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